

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF OKLAHOMA**

In re:

NICHOLS BROTHERS, INC.,  
an Oklahoma corporation, *et al.*,<sup>1</sup>  
  
Debtors.

Chapter 11

Case No. 18-11123-M

Jointly Administered

**STIPULATION FOR CONSENSUAL USE CASH COLLATERAL**

On the 14th day of June, 2018, the above-captioned debtors, as debtors-in-possession (the “Debtors”), and Crossfirst Bank, as a prepetition lender and administrative and collateral Agent (the “Pre-Petition Agent”) for itself and on behalf of three other prepetition lenders, Valley National Bank, Kirkpatrick Bank and Arena Limited SPV, LLC, (collectively with the Pre-Petition Agent, the “Pre-Petition Lenders” and together with the Debtors, the “Parties”) hereby stipulate as follows:

1. All of the Debtor’s cash receipts are subject to the liens and claims of the Pre-petition Lenders as detailed in the *Motion for Interim and Final Orders (A) Authorizing the Debtors to Use Cash Collateral, (B) Authorizing the Debtors to Obtain Post-Petition Financing, (C) Granting Security Interests and Superpriority Administrative Expense Status to Lenders, (D) Granting Adequate Protection to Lenders, (E) Scheduling a Final Hearing, (F) Granting Related Relief and Notice of Opportunity for Hearing* (the “Motion”)<sup>2</sup> filed June 8, 2018 [Doc. 11].

Accordingly, the Pre-Petition Lenders’ liens and claims encumber all of the Debtors’ cash,

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<sup>1</sup> The Debtors in these jointly administered cases are: NICHOLS BROTHERS, INC., Case No. 18-11123-TLM; NBI PROPERTIES, INC., Case No. 18-11124-M; N B I SERVICES, INC., Case No. 18-11125-M; LADDER COMPANIES, INC., Case No. 18-11126-M; RED WATER RESOURCES, INC., Case No. 18-11127-M; CANO PETRO OF NEW MEXICO, INC., Case No. 18-11128-M; and W.O. OPERATING COMPANY, LTD., Case No. 18-11129-M.

<sup>2</sup> Capitalized terms used herein and not otherwise defined have the meaning set forth in the Motion.

negotiable instruments, documents of title, securities and other cash equivalents, making it the cash collateral of the Pre-Petition Lenders.

2. The hearing on the Motion previously scheduled for June 15, 2018 at 10:00 a.m. has been continued to June 25, 2018 and as a result, no order authorizing the Debtors to use the Pre-Petition Lenders' cash collateral will be entered until such time. This Stipulation is in effect from the date executed until the hearing set on June 25, 2018 ("Term").

3. The Debtors have an immediate need to use the Pre-Petition Lenders' cash collateral to pay their next payroll (approximately \$58,000) due on June 15, 2018 (the "Payroll"), and other extraordinary expenses that may need to be made to avoid irreparable harm to the debtors and their business ("Extraordinary Expenses") subject to the provisions of this Stipulation.

4. The Parties have stipulated and agreed to allow the Debtors to use the Pre-Petition Lenders' cash collateral on a limited consensual basis not to exceed \$80,000 to be used solely for the payment of Payroll and Extraordinary Expenses, the latter of which must be approved by the proposed DIP Agent during the Term of this Stipulation.

5. The Parties further agree that the Pre-Petition Lenders' interest in the cash collateral to be used for the Payroll is entitled to adequate protection. Accordingly, the Parties stipulate and agree that any cash collateral of the Pre-Petition Lenders used pursuant to this Stipulation shall be entitled to adequate protection set forth in the Motion and the Debtors shall not oppose granting of such adequate protection to the Pre-Petition Lenders retroactively at the hearing on June 25, 2018.

6. This Stipulation is not intended as a waiver of any rights, objections, or other legal argument of the Pre-Petition Lenders or Debtors, or as a waiver of the Pre-Petition Lenders

of any right to seek additional adequate protection for the use of cash collateral whether pursuant to this Stipulation or otherwise.

7. The Debtors and Pre-Petition Lenders may agree in writing to expand the use of Cash Collateral during the Term of this Stipulation, and such agreement will be governed by this Stipulation without the need for filing anything further with the Court.

**Dated this 14th day of June, 2018.**

APPROVED AND AGREED:

**CROWE & DUNLEVY**

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